

State of Arizona  
Senate  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 99

**SENATE BILL 1164**

AN ACT

AMENDING SECTIONS 4-202, 5-107.01, 6-123, 20-142, 20-285, 20-289, 20-340.04, 32-921, 32-1122 AND 32-1722, ARIZONA REVISED STATUTES; AMENDING SECTION 32-2304, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1998, CHAPTER 142, SECTION 4; REPEALING SECTION 32-2304, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 113, SECTION 128; AMENDING SECTIONS 44-1627, 44-1945, 44-3153, 44-3156 AND 44-3181, ARIZONA REVISED STATUTES; AMENDING TITLE 6, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-123.01; BLENDING MULTIPLE ENACTMENTS; RELATING TO FINGERPRINTING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 4-202, Arizona Revised Statutes, is amended to  
3 read:

4 4-202. Qualifications of licensees; application; background  
5 information; prior convictions

6 A. Every spirituous liquor licensee, other than a club licensee, a  
7 corporation licensee, a limited liability company licensee or an out-of-state  
8 licensee, shall be a citizen of the United States and a bona fide resident  
9 of this state or a legal resident alien who is a bona fide resident of this  
10 state. If a partnership, each partner shall be a citizen of the United  
11 States and a bona fide resident of this state or a legal resident alien who  
12 is a bona fide resident of this state, except that for a limited partnership  
13 an individual general partner is required to meet the qualifications of an  
14 individual licensee, a corporate general partner is required to meet the  
15 qualifications of a corporate licensee and a limited partner is not required  
16 to be a bona fide resident of this state. If a corporation or limited  
17 liability company, it shall be a domestic corporation or a foreign  
18 corporation or a limited liability company which THAT has qualified to do  
19 business in this state. A person shall hold a club license, corporation  
20 license, limited liability company license, partnership license or  
21 out-of-state license through an agent who shall be a natural person and meet  
22 the qualifications for licensure, except that an agent for an out-of-state  
23 license as specified in section 4-209, subsection B, paragraph 2 need not be  
24 a resident of this state. For THE purposes of this subsection, "agent" means  
25 a person WHO IS designated by an applicant or licensee to receive  
26 communications from the department and to file documents and sign documents  
27 for filing with the department on behalf of the applicant or licensee.

28 B. A person shall file an application for a spirituous liquor license  
29 on a form prescribed by the director. The director shall require any  
30 applicant and may require any controlling person, other than a bank or  
31 licensed lending institution, to furnish background information and a  
32 ~~complete, satisfactory~~ TO SUBMIT A FULL set of fingerprints in a manner  
33 ~~prescribed by the director~~ TO THE DEPARTMENT. THE DEPARTMENT OF LIQUOR  
34 LICENSES AND CONTROL SHALL SUBMIT THE FINGERPRINTS TO THE DEPARTMENT OF  
35 PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL  
36 RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE  
37 DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE  
38 FEDERAL BUREAU OF INVESTIGATION. If a license is issued or transferred when  
39 fees are waived pursuant to section 4-209, subsection I, no additional  
40 background check is required if the person has already completed a background  
41 investigation in connection with the continuing business.

42 C. Each applicant or licensee shall designate a person WHO SHALL BE  
43 responsible for managing the premises which. THE DESIGNATED PERSON may be  
44 the applicant or licensee. The manager shall be a natural person and SHALL  
45 meet all the requirements for licensure. The same person may be designated

1 as the manager for more than one premises owned by the same licensee. Notice  
2 of a change in the manager shall be filed with the director within thirty  
3 days after such a change.

4 D. No license shall be issued to any person who, within one year prior  
5 to BEFORE application, has had a license revoked. No license shall be issued  
6 to or renewed for any person who, within five years prior to BEFORE  
7 application, has been convicted of a felony, or convicted of an offense in  
8 another state that would be a felony in this state. ~~provided that~~ For a  
9 conviction of a corporation to be a basis for a denial under the provisions  
10 of this section, the limitations THAT ARE provided in section 4-210,  
11 subsection A, paragraph 8 shall apply. No corporation shall have its annual  
12 license issued or renewed unless it has on file with the department a list  
13 of its officers and directors and any stockholders who own ten per cent or  
14 more of the corporation.

15 E. The department OF LIQUOR LICENSES AND CONTROL shall receive  
16 criminal history record information from the department of public safety  
17 ~~criminal identification section~~ for applicants for employment with the  
18 department OF LIQUOR LICENSES AND CONTROL or for a license issued by the  
19 department OF LIQUOR LICENSES AND CONTROL.

20 F. The department shall not issue or renew a license for any person  
21 who on the request of the director fails to provide the department with  
22 complete financial disclosure statements indicating all financial holdings  
23 of the person or any other person in or relating to the license applied for,  
24 including all cosignatories on financial holdings, land, buildings, leases  
25 or other forms of indebtedness that the applicant has incurred or will incur.

26 Sec. 2. Section 5-107.01, Arizona Revised Statutes, is amended to  
27 read:

28 5-107.01. Necessity for permits for racing meetings; licenses  
29 for officials and other persons

30 A. A person, association or corporation shall not hold any racing  
31 meeting without having first obtained and having in full force and effect a  
32 permit THAT IS issued by the department.

33 B. No trainer, driver, jockey, apprentice jockey, horse owner, dog  
34 owner, greyhound racing kennel owner or operator, breeder of racing  
35 greyhounds, exercise boy, agent, jockey's agent, stable foreman, groom,  
36 valet, veterinarian, horseshoer, steward, stable watchman, starter, timer,  
37 judge, food and beverage concessionaire, manager or other person acting as  
38 a participant or official at any racing meeting including all employees of  
39 the pari-mutuel department and any other person or official the department  
40 deems proper shall participate in racing meetings without having first  
41 obtained and having in full force and effect a license or credentials THAT  
42 ARE issued by the department, pursuant to such rules as the commission shall  
43 make. ~~Such THE DEPARTMENT SHALL NOT REVOKE A license shall not be revoked~~  
44 except for cause and after a hearing. For the purposes of this subsection,

1 participate in a dog racing meeting includes breeding, raising, certifying  
2 as an Arizona bred and training a dog AND CERTIFYING AS AN ARIZONA BRED DOG.

3 C. Each person, association or corporation holding THAT HOLDS a permit  
4 or a license under this chapter shall comply with all rules and orders of the  
5 commission or department.

6 D. Any credential or license THAT IS issued by the department to a  
7 licensee shall be used only as prescribed by commission rule or order of the  
8 director. Use for purposes other than those prescribed is grounds for  
9 suspension or revocation or imposition of a civil penalty as provided in  
10 section 5-108.02, subsection E.

11 E. ~~The department shall require~~ ALL applicants for a permit or license  
12 ~~to furnish~~ SHALL SUBMIT TO THE DEPARTMENT A FULL SET OF fingerprints, and  
13 background information AND THE FEES THAT ARE REQUIRED pursuant to section  
14 41-1750, subsection G. ~~The department shall charge for fingerprints and~~  
15 ~~background information~~ THE DEPARTMENT OF RACING SHALL SUBMIT THE FINGERPRINTS  
16 TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND  
17 FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
18 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA  
19 WITH THE FEDERAL BUREAU OF INVESTIGATION. THE APPLICANT SHALL PAY THE  
20 FINGERPRINT FEE AND COSTS OF THE BACKGROUND INVESTIGATION in an amount THAT  
21 IS determined by the department. For such purpose the department OF RACING  
22 and the department of public safety may enter into an intergovernmental  
23 agreement pursuant to title 11, chapter 7, article 3. Such THE fees shall be  
24 credited pursuant to section 35-148.

25 F. The director may issue a temporary license to an owner, trainer,  
26 driver or jockey WHO IS duly licensed in another jurisdiction for special  
27 races or special circumstances for a period of not to exceed thirty  
28 days. THE DIRECTOR MAY ALLOW a trainer so licensed ~~may be allowed by the~~  
29 director to complete an application for a temporary license for an owner if  
30 the owner is not immediately available to personally submit the application.

31 G. A licensed owner, lessee or trainer of a qualified horse who has  
32 applied to a permittee to be stabled at a track and WHO has not been granted  
33 a stall shall not be prohibited from bringing the horse on the race grounds  
34 for the purpose of entering the animal in races THAT ARE held by the  
35 permittee or for the purposes of qualifying to race solely for the reason  
36 that the animal is not being stabled at the track if the owner, lessee or  
37 trainer is in compliance with rules adopted by the commission. No dog racing  
38 permittee may prohibit a licensed owner or a licensed lessee of a qualified  
39 animal who has applied to be kenneled at the track and who has not been  
40 granted a kennel to enter the animal in races THAT ARE held by the permittee  
41 and to bring the animal on the track for purposes of qualifying to race or  
42 to race solely for the reason that the animal is not being kenneled at the  
43 track.

1       Sec. 3. Section 6-123, Arizona Revised Statutes, is amended to read:  
2       6-123. Superintendent; powers

3       In addition to the other powers, express or implied, the superintendent  
4       may:

5       1. Exercise all powers THAT ARE necessary for the administration and  
6       enforcement of the laws and rules relating to financial institutions and  
7       enterprises.

8       2. In accordance with title 41, chapter 6, adopt rules THAT ARE  
9       necessary or appropriate to administer, enforce and accomplish the purposes  
10      of this title and adopt rules and issue orders limiting THAT LIMIT  
11      transactions between financial institutions or enterprises and the directors,  
12      officers or employees of the financial institutions or enterprises.

13      3. Require appropriate records, documents, information and reports  
14      from any financial institution or enterprise.

15      4. Submit to the department of public safety the name and fingerprints  
16      of any applicant, or licensee, ACTIVE MANAGER OR RESPONSIBLE INDIVIDUAL or  
17      the name AND FINGERPRINTS of any organizer, director or officer of any  
18      corporate applicant or licensee for:

19          (a) A banking permit.

20          (b) Permission to organize a savings and loan association or credit  
21      union.

22          (c) Any license.

23          (d) Any certificate.

24          (e) Authority to engage in interstate banking and branching in this  
25      state.

26      The department of public safety shall report the criminal record, if any, of  
27      such applicant, licensee or organizer, director or officer of such corporate  
28      applicant or licensee within ninety days of receipt of the request of the  
29      superintendent.

30      5. Employ appraisers to appraise any property THAT IS owned or held  
31      as security by any financial institution or enterprise. The reasonable  
32      expenses and compensation of such appraisers shall be paid by the financial  
33      institution or enterprise.

34      6. Hold membership in, pay dues to and attend the convention of the  
35      national and regional organizations of state officials occupying like offices  
36      or performing similar functions.

37      7. Cooperate with other regulatory agencies and professional  
38      associations to promote the efficient, safe and sound operation and  
39      regulation of interstate banking and branching activities, including the  
40      formulation of interstate examination policies and procedures and the  
41      drafting of model rules and agreements.

1       Sec. 4. Title 6, chapter 1, article 3, Arizona Revised Statutes, is  
2 amended by adding section 6-123.01, to read:

3       6-123.01. Fingerprint requirements; fees

4       A. BEFORE RECEIVING AND HOLDING A LICENSE, PERMIT, CERTIFICATE OR  
5 PERMISSION TO ORGANIZE A BANK, SAVINGS AND LOAN OR CREDIT UNION, THE  
6 SUPERINTENDENT MAY REQUIRE AN APPLICANT, LICENSEE, ACTIVE MANAGER OR  
7 RESPONSIBLE INDIVIDUAL OR AN ORGANIZER, DIRECTOR OR OFFICER OF ANY CORPORATE  
8 APPLICANT OR LICENSEE TO SUBMIT A FULL SET OF FINGERPRINTS AND FEES TO THE  
9 DEPARTMENT. THE STATE BANKING DEPARTMENT SHALL SUBMIT THE FINGERPRINTS AND  
10 FEES TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE  
11 AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
12 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA  
13 WITH THE FEDERAL BUREAU OF INVESTIGATION.

14       B. THE FEES THAT THE DEPARTMENT COLLECTS UNDER SUBSECTION A OF THIS  
15 SECTION SHALL BE CREDITED PURSUANT TO SECTION 35-148.

16       C. THE APPLICANT IS RESPONSIBLE FOR PROVIDING THE DEPARTMENT WITH  
17 READABLE FINGERPRINTS. THE APPLICANT SHALL PAY ANY COSTS THAT ARE  
18 ATTRIBUTABLE TO REFINGERPRINTING DUE TO THE UNREADABILITY OF ANY FINGERPRINTS  
19 AND ANY FEES THAT ARE REQUIRED FOR THE RESUBMISSION OF FINGERPRINTS.

20       D. THE DEPARTMENT MAY ISSUE A LICENSE OR CERTIFICATE OR GRANT  
21 PERMISSION TO ORGANIZE TO AN ORIGINAL APPLICANT BEFORE THE DEPARTMENT  
22 RECEIVES THE RESULTS OF A CRIMINAL RECORDS CHECK IF THERE IS NOT EVIDENCE OR  
23 REASONABLE SUSPICION THAT THE APPLICANT HAS A CRIMINAL HISTORY BACKGROUND  
24 THAT WOULD BE CAUSE FOR DENIAL OF A LICENSE, CERTIFICATE OR PERMISSION TO  
25 ORGANIZE. THE DEPARTMENT MAY SUSPEND THE LICENSE OR CERTIFICATE OR  
26 PERMISSION TO ORGANIZE IF A FINGERPRINT CARD IS RETURNED AS UNREADABLE AND  
27 THE APPLICANT FAILS TO SUBMIT NEW FINGERPRINTS WITHIN TEN DAYS AFTER BEING  
28 NOTIFIED BY THE DEPARTMENT THAT THE ORIGINAL CARD WAS UNREADABLE.

29       E. THE SUPERINTENDENT MAY REQUIRE A CURRENT LICENSEE, ORGANIZER,  
30 DIRECTOR, ACTIVE MANAGER, RESPONSIBLE INDIVIDUAL OR OFFICER OF ANY CORPORATE  
31 LICENSEE TO SUBMIT A FULL SET OF FINGERPRINTS TO THE DEPARTMENT. THE STATE  
32 BANKING DEPARTMENT SHALL SUBMIT THE FINGERPRINTS AND FEES TO THE DEPARTMENT  
33 OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL  
34 RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE  
35 DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE  
36 FEDERAL BUREAU OF INVESTIGATION.

37       F. THIS SECTION DOES NOT AFFECT THE DEPARTMENT'S AUTHORITY TO  
38 OTHERWISE ISSUE, DENY, CANCEL, TERMINATE, SUSPEND OR REVOKE A LICENSE.

39       Sec. 5. Section 20-142, Arizona Revised Statutes, is amended to read:

40       20-142. Powers and duties of director; payment of examination  
41       and investigation costs; home health services

42       A. The director shall enforce the provisions of this title.

43       B. The director shall have powers and authority expressly conferred  
44 by or reasonably implied from the provisions of this title.

C. The director may conduct examinations and investigations of insurance matters, including examinations and investigations of adjusters, agents and brokers and any other persons WHO ARE regulated under this title, in addition to examinations and investigations expressly authorized, as the director deems proper in determining whether a person has violated any provision of this title or for the purpose of securing information useful in the lawful administration of any provision of this title. The examined party shall pay the cost of examinations THAT ARE conducted pursuant to this subsection except for examinations of adjusters, agents and brokers. The examined party shall pay the cost of examining adjusters, agents and brokers only if the party has violated any provision of this title. The state shall pay the cost of an investigation.

D. The director shall establish guidelines for insurers on home health services that shall be used by the director pursuant to sections 20-826, 20-1342, 20-1402 and 20-1404. The director may use home health services as defined in section 36-151. Guidelines shall include but not be limited to:

1. Home health services that are prescribed by a physician.
2. Home health services that are determined to cost less if provided in the home than the average length of in-hospital service for the same service.

3. Skilled professional care in the home that is comparable to skilled professional care provided in-hospital and that is reviewed and approved at thirty day intervals by a physician.

E. Pursuant to section 41-1750, subsection G, the director may receive criminal history record information, in connection with the issuance, renewal, suspension or revocation of a license or certificate of authority or the consideration of a merger or acquisition. The director may require the submission of A PERSON TO SUBMIT A FULL SET OF fingerprints of any person related to the issuance, renewal, suspension or revocation of a license or certificate of authority or the consideration of a merger or acquisition. ~~The criminal identification section of TO THE DEPARTMENT. THE DEPARTMENT OF INSURANCE SHALL SUBMIT THE FINGERPRINTS TO the department of public safety shall provide such FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL criminal history record information to the director RECORDS CHECK pursuant to section 41-1750, subsection G AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.~~

Sec. 6. Section 20-285, Arizona Revised Statutes, is amended to read:  
20-285. Application for license

A. A person who applies for a resident insurance producer license shall apply to the director on a form prescribed by the director and shall declare under penalty of denial, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the knowledge and belief of the applicant or it's THE APPLICANT'S duly authorized representative. The applicant shall provide information

1 concerning the applicant's identity, personal history, business record,  
2 experience in insurance and purposes for which the license is to be used and  
3 any other pertinent fact the director requires.

4 B. Before the director approves the application of the individual, the  
5 director shall find that THE INDIVIDUAL:

6 1. ~~The individual~~ Is at least eighteen years of age.

7 2. ~~The individual~~ Has not committed any act that is a ground for  
8 denial, suspension or revocation prescribed in section 20-295.

9 3. ~~The individual~~ Has paid the fees prescribed in section 20-167.

10 4. ~~The individual~~ Has successfully passed the examinations for the  
11 lines of authority for which the individual has applied.

12 5. ~~The individual~~ Will not use or does not intend to use the license  
13 principally for the purpose of procuring insurance that covers:

14 (a) The individual.

15 (b) The members of the individual's family or the individual's  
16 relatives to the second degree.

17 (c) The individual's property or insurable interests.

18 (d) The property or insurable interests of the individual's relatives  
19 to the second degree, employer or employees or a firm or corporation in which  
20 the individual owns a substantial interest or the employees of that firm or  
21 corporation.

22 (e) Property or insurable interests for which the individual or the  
23 individual's relatives to the second degree, employer, firm or corporation  
24 is the bailee, trustee or receiver.

25 C. For the purposes of subsection B, paragraph 5 of this section, a  
26 vendor's or lender's interest in property that is sold or is being sold under  
27 a contract or that is the security for any loan is not property or an  
28 insurable interest of that vendor or lender.

29 D. Before the director approves the application of a business entity,  
30 the director shall find that the business entity:

31 1. Has paid the fees prescribed in section 20-167.

32 2. Will be acting within the scope of its partnership agreement,  
33 articles of incorporation or other chartering documents when the business  
34 entity transacts business under the license.

35 3. Has designated an individually licensed insurance producer who is  
36 responsible for the business entity's compliance with the insurance laws of  
37 this state.

38 E. The application of a business entity shall also include the names  
39 of all members, officers and directors of the business entity. For any  
40 individual who is identified pursuant to this subsection and pursuant to  
41 subsection D, paragraph 3 of this section, the director may require the  
42 applicant to provide the information required for a license as an individual.

43 F. Before the director grants a license, the director may require the  
44 applicant to:



1        1. Provide any document that is reasonably necessary to verify the  
2 information that is contained in an application and other information  
3 including:

4        ~~1. prior criminal records.~~

5        ~~2. Fingerprinting or background information pursuant to section~~  
6 ~~41-1750, subsection G and any fingerprint processing fees~~ SUBMIT A FULL SET  
7 OF FINGERPRINTS TO THE DEPARTMENT. THE DEPARTMENT OF INSURANCE SHALL SUBMIT  
8 THE FINGERPRINTS TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF  
9 OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION  
10 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE  
11 THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

12        G. A nonresident person who is licensed as an insurance producer in  
13 another state, who becomes a resident of this state and who continues to act  
14 as an insurance producer shall apply to become a resident licensee pursuant  
15 to this section within ninety days.

16        Sec. 7. Section 20-289, Arizona Revised Statutes, is amended to read:

17        20-289. Expiration; surrender; renewal

18        A. Any license that is issued pursuant to this article, other than a  
19 temporary license, continues in force until it expires or the director  
20 suspends, revokes or terminates the license. The license is also subject to  
21 renewal pursuant to this section.

22        B. A license that is issued pursuant to this article or a license that  
23 is issued pursuant to chapter 6, article 9 of this title expires biennially  
24 on the last day of the same month two years after the issuance or renewal of  
25 the license pursuant to this article.

26        C. The director may renew a license if the licensee files an  
27 application on a form approved by the director and pays the renewal fee  
28 prescribed in section 20-167 on or before the expiration date and, until July  
29 1, 2004, if applicable, complies with the continuing education requirements  
30 prescribed in chapter 18 of this title.

31        D. Before renewing a license, the director may require the applicant  
32 to:

33        1. Provide all documents that are reasonably necessary to verify the  
34 information that is contained in the application and any other information  
35 including:

36        ~~1. prior criminal records.~~

37        ~~2. Fingerprinting or background information, pursuant to section~~  
38 ~~41-1750, subsection G and any fingerprint processing fees~~ SUBMIT A FULL SET  
39 OF FINGERPRINTS TO THE DEPARTMENT. THE DEPARTMENT OF INSURANCE SHALL SUBMIT  
40 THE FINGERPRINTS TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF  
41 OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION  
42 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE  
43 THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

1 E. Any license for which the director does not receive timely  
2 application for renewal and full payment of fees expires at midnight on the  
3 renewal date. During the six months after the expiration of a license under  
4 this section, a person who otherwise meets the qualifications for a license  
5 may renew an expired license by filing with the director a renewal  
6 application, the biennial license fee and an additional one hundred dollars  
7 as a late renewal fee. Any application THAT IS received during this six  
8 month period for the same license that expired under this section is deemed  
9 a renewal application. Any application THAT IS received after the six month  
10 period for the same license that expired under this section is deemed a new  
11 application.

12 F. On THE written request of a person who is licensed pursuant to this  
13 article, the director may accept the voluntary surrender of the person's  
14 authority to transact one or more lines of insurance or of the person's  
15 entire license. A person who surrenders an authority or a license under this  
16 subsection shall not reapply for the same authority or license for at least  
17 six months after the date of the surrender.

18 Sec. 8. Section 20-340.04, Arizona Revised Statutes, is amended to  
19 read:

20 20-340.04. Bail recovery agent prohibitions; criminal records  
21 checks

22 A. No person who has been convicted in any jurisdiction of THEFT, any  
23 felony or theft or any crime involving the carrying or illegal use or  
24 possession of a deadly weapon or dangerous instrument may act as a bail  
25 recovery agent.

26 B. A person shall submit a full set of fingerprints to the department  
27 before acting as a bail recovery agent and SHALL submit a new set of  
28 fingerprints on or before September 1 of every third year after initial  
29 identification by the bail bond agent in the report THAT IS filed with the  
30 director pursuant to section 13-3885, subsection C ~~to allow the director to~~  
31 ~~obtain.~~ THE DEPARTMENT OF INSURANCE SHALL SUBMIT THE FINGERPRINTS TO THE  
32 DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING a state and federal  
33 criminal records check pursuant to section 41-1750 and Public Law  
34 92-544. The fingerprint processing fee collected by the department shall be  
35 an amount that does not exceed the cost to the department THAT IS charged by  
36 the federal bureau of investigation for the fingerprint processing to obtain  
37 federal criminal history record information. The department of public safety  
38 ~~is authorized to~~ MAY exchange this fingerprint data with the federal bureau  
39 of investigation. ~~The criminal investigation section of the department of~~  
40 public safety shall provide the criminal history record information to the  
41 director pursuant to section 41-1750.

42 C. Any person who acts as a bail recovery agent on behalf of any bail  
43 bond agent and any person who conducts any action relating to a bail recovery  
44 or apprehension must be identified by the bail bond agent in the report THAT  
45 IS filed with the director pursuant to section 13-3885, subsections C and D.

1 D. A bail bond agent may not employ a bail recovery agent who does not  
2 comply with this section and who has not been identified by the bail bond  
3 agent in the report THAT IS filed with the director pursuant to section  
4 13-3885, subsection C. A bail bond agent who is not licensed in this state  
5 shall contract with a bail bond agent in this state to retain the services  
6 of a bail recovery agent in this state.

7 Sec. 9. Section 32-921, Arizona Revised Statutes, is amended to read:  
8 32-921. Application for license; qualifications of applicant;

9 fee; background investigations

10 A. A person who wishes to practice chiropractic in this state shall  
11 submit a written application to the board at least forty-five days before the  
12 next scheduled examinations on a form and in the manner prescribed by the  
13 board.

14 B. To be eligible for an examination and licensure, the applicant  
15 shall:

16 1. Be a person of good character and reputation.

17 2. Be a graduate of a chiropractic college that both:

18 (a) Is accredited by or has status with the council on chiropractic  
19 education or is accredited by an accrediting agency recognized by the U.S.  
20 department of education or the council on post secondary accreditation or has  
21 the equivalent of these standards as determined by the board.

22 (b) Teaches a resident course of four years of not less than nine  
23 months each year, or the equivalent of thirty-six months of continuous study,  
24 and that comprises not less than four thousand credit hours of resident study  
25 required to receive a degree of doctor of chiropractic (D.C.).

26 3. Be physically and mentally able to practice chiropractic skillfully  
27 and safely.

28 4. Have a certificate of attainment for part I and part II and a score  
29 of three hundred seventy-five or more on part III of the examination  
30 conducted by the national board of chiropractic examiners.

31 C. The board may refuse to give an examination to an applicant who  
32 either:

33 1. Fails to qualify for an examination under subsection B of this  
34 section.

35 2. Has engaged during the period of two years next preceding his THE  
36 PERSON'S application in conduct constituting grounds for sanction pursuant  
37 to section 32-924.

38 D. On making application, the applicant shall pay to the executive  
39 director of the board a nonrefundable fee of one hundred dollars. The board  
40 shall keep a register of all applicants and the result of each examination.

41 E. In order to determine an applicant's eligibility for examination  
42 and licensure, the board may ~~obtain criminal history record information from~~  
43 REQUIRE THE APPLICANT TO SUBMIT A FULL SET OF FINGERPRINTS TO THE BOARD. THE  
44 BOARD SHALL SUBMIT THE FINGERPRINTS TO the department of public safety FOR  
45 THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK pursuant

1 to section 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY  
2 MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.  
3 The board shall charge each applicant a fee THAT IS necessary to cover the  
4 cost of the investigation. The board shall forward this fee to the criminal  
5 identification section of the department of public safety.

6 Sec. 10. Section 32-1122, Arizona Revised Statutes, is amended to  
7 read:

8 32-1122. Qualifications for license; definition

9 A. A contractor's license shall be issued only by act of the registrar  
10 of contractors. The registrar shall:

11 1. Classify and qualify applicants for a license.

12 2. If necessary, change the license classification of a licensee in  
13 the case of a title reclassification, with or without a bond rider for the  
14 purpose of continuing liability on the bond.

15 3. Conduct such investigations as the registrar deems necessary.

16 4. Establish written examinations if deemed necessary to protect the  
17 health and safety of the public.

18 B. To obtain or renew a license under this chapter, the applicant  
19 shall:

20 1. Submit to the registrar of contractors a verified application on  
21 forms THAT ARE prescribed by the registrar of contractors and containing THAT  
22 CONTAIN the following information and shall advise the registrar of any  
23 change in such THE information within thirty days:

24 (a) A designation of the classification of license THAT IS sought by  
25 the applicant.

26 (b) If the applicant is an individual, the applicant's name and  
27 address.

28 (c) If the applicant is a partnership, the names and addresses of all  
29 partners with a designation of any limited partners.

30 (d) If the applicant is a corporation, an association or any other  
31 organization, the names and addresses of the president, vice-president, if  
32 any, secretary and treasurer or the names and addresses of the functional  
33 equivalent of such THESE officers, the directors and the owners of  
34 twenty-five per cent or more of the stock or beneficial interest.

35 (e) The name and address of the qualifying party.

36 (f) If the applicant is a corporation, evidence that the corporation  
37 is in good standing with the corporation commission.

38 (g) The address or location of the applicant's place of business and  
39 the mailing address if it is different from the applicant's place of  
40 business.

41 (h) The applicant's current privilege license number issued pursuant  
42 to section 42-5005.

43 (i) Proof that the applicant has complied with the statutes or rules  
44 governing workers' compensation insurance.

2. Submit the appropriate bond and fee required under this chapter.

C. To obtain a contractor's license under this chapter other than a residential contractor's license, the applicant shall submit a detailed statement of current financial condition containing information required by the registrar of contractors on a form furnished by or acceptable to the registrar of contractors. Notwithstanding any other law, a swimming pool contractor shall also submit a detailed statement of current financial condition as required by this subsection.

D. To obtain or renew a license under this chapter, each person shall be of good character and reputation. Lack of good character and reputation may be established by showing that a person has engaged in contracting without a license or committed any act which THAT, if committed or done by any licensed contractor, would be grounds for suspension or revocation of a contractor's license or by showing that the person was named on a contractor's license that was suspended or revoked in another state.

E. To obtain a license under this chapter, a person shall not have had a license refused or revoked, within one year prior to BEFORE the person's application, or shall not have engaged in the contracting business, nor shall the person have submitted a bid without first having been licensed within one year prior to BEFORE the person's application, nor shall a person act as a contractor between the filing of the application and actual issuance of the license. The registrar may find any of those actions or circumstances to be excusable if there was reasonable doubt as to the need for licensure or the actions of the applicant did not result in an unremedied hardship or danger or loss to the public. A person who has been criminally convicted of contracting without a license is not eligible to obtain a license under this chapter for one year after the date of the last conviction.

F. ~~Prior to issuance of~~ BEFORE a license IS ISSUED, the qualifying party shall:

1. Have had a minimum of four years' practical or management trade experience, at least two of which must have been within the last ten years, dealing specifically with the type of construction, or its equivalent, for which the applicant is applying for a license. Technical training in an accredited college or university or in a manufacturer's accredited training program may be substituted for a portion of such experience, but in no case may credited technical training exceed two years of the required four years' experience. The registrar of contractors may reduce the four years' practical or management experience requirement if in the registrar's opinion it has been conclusively shown by custom and usage in the particular industry or craft involved that the four year requirement is excessive. The registrar may waive the work experience documentation and verification or the examination requirement if the records reflect that the qualifying party is currently or has previously been a licensee in this state in the same classification within the preceding five years.

2. Successfully show, by written examination, if required, qualification in the kind of work for which the applicant proposes to contract, the applicant's general knowledge of the building, safety, health and lien laws of the state, administrative principles of the contracting business and the rules adopted by the registrar of contractors pursuant to this chapter, demonstrate knowledge and understanding of construction plans and specifications applicable to the particular industry or craft and of the standards of construction work and techniques and practices in the particular industry or craft and demonstrate a general understanding of other related construction trades, in addition to such ANY other matters as may be deemed appropriate by the registrar to determine that the qualifying party meets the requirements of this chapter. The registrar shall maintain multiple versions of examinations for each type of license which THAT requires an examination.

G. No license shall be issued to a minor, to any partnership in which one of the partners is a minor, or to any corporation in which a corporate officer is a minor.

H. BEFORE RECEIVING, RENEWING AND HOLDING A LICENSE PURSUANT TO THIS CHAPTER, THE REGISTRAR MAY REQUIRE A LICENSE APPLICANT OR LICENSEE TO SUBMIT TO THE REGISTRAR A FULL SET OF FINGERPRINTS AND THE FEES REQUIRED IN SECTION 41-1750. THE REGISTRAR SHALL SUBMIT THE FINGERPRINTS AND FEES TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

Sec. 11. Section 32-1722, Arizona Revised Statutes, is amended to read:

32-1722. Qualifications of applicant; applications

A. A person of good moral character, ~~desiring~~ WHO DESIRES to engage in the practice of the profession of optometry, shall file with the board not less than thirty days before the date on which an examination is to be held a verified application with the required application fee that includes:

1. The applicant's name, age and address.

2. Documentation of graduation from a university or college teaching THAT TEACHES the profession of optometry and THAT IS accredited by a nationally accepted accrediting body on optometric education.

3. Documentation of satisfactory completion of an equivalent course of study THAT IS approved by the board in didactic education, pharmacology and clinical training in the examination, diagnosis and treatment of conditions of the human eye and its adnexa that either:

(a) Meets the contemporary educational requirements at colleges of optometry in the United States.

(b) Totals at least one hundred twenty hours.

4. Documentation of the successful passage of a written examination as prescribed by the board.

1           5. Background information on a form prescribed by the attorney general  
2 for the purpose of conducting an investigation into the existence of prior  
3 arrests and convictions. THE APPLICANT SHALL SUBMIT A FULL SET OF  
4 FINGERPRINTS TO THE BOARD. THE BOARD SHALL SUBMIT THE FINGERPRINTS TO THE  
5 DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL  
6 CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
7 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA  
8 WITH THE FEDERAL BUREAU OF INVESTIGATION.

9           6. Disclosure of any investigation conducted or pending by an  
10 optometric regulatory board in another jurisdiction in the United States.

11           B. On receipt of an application in proper form and containing the  
12 information prescribed in subsection A of this section, the board may have  
13 ~~an investigation made of~~ INVESTIGATE the applicant's character, ability and  
14 experience.

15           C. For the purposes of an investigation THAT IS conducted pursuant to  
16 subsection B of this section, the board may subpoena witnesses, administer  
17 oaths and take testimony with respect to the character of the applicant or  
18 to any matter affecting the application at a hearing held after sufficient  
19 notice has been given.

20           D. If the board finds that the applicant has passed the examination  
21 provided for under section 32-1723 or 32-1724 and that the applicant's  
22 character, ability and experience are satisfactory, the board shall issue a  
23 license.

24           Sec. 12. Section 32-2304, Arizona Revised Statutes, as amended by Laws  
25 1998, chapter 142, section 4, is amended to read:

26           32-2304. Powers and duties; executive director

27           A. The commission shall:

28           1. Adopt rules which THAT are necessary or proper for the  
29 administration of this chapter, including administrative provisions and  
30 health and safety provisions for the use, storage and application of  
31 pesticides and devices used in structural pest control.

32           2. Adopt rules governing pretreatment.

33           3. Administer and enforce this chapter and rules adopted pursuant to  
34 this chapter.

35           4. Maintain a record of its acts and proceedings, including the  
36 issuance, refusal, renewal, suspension or revocation of licenses,  
37 registrations, qualifications and certificates.

38           5. At least thirty days before adoption of a rule, form or policy,  
39 mail a copy of notice of a proposed rule, form or policy adoption, including  
40 the text of the proposed rule, form or policy, to each business licensee who  
41 has made a request to the commission, except that if the commission finds  
42 that adoption of a rule is necessary for immediate preservation of the public  
43 peace, health and safety and that notice is impractical, unnecessary or  
44 contrary to public interest it may adopt a rule without prior notice. Within  
45 thirty days after the adoption of a statute by the legislature or

1 certification of a rule by the attorney general, the commission shall notify  
2 all business licensees in writing.

3 6. Hire inspectors as needed, considering recommendations of the  
4 executive director.

5 7. On receipt of a complaint or initiation of a complaint by the  
6 commission, notify the business licensee and qualifying party in writing of  
7 the complaint against the business licensee by the close of business on the  
8 second business day after the day on which the commission received or  
9 initiated the complaint.

10 8. On the request of any party, issue subpoenas for the taking of  
11 depositions, the production of documents and things and the entry on land for  
12 inspection and measuring, surveying, photographing, testing or sampling the  
13 property or any designated object or operation on the property relevant to  
14 the complaint.

15 9. List any complaint it plans to discuss at a public meeting in the  
16 agenda for the meeting.

17 10. Make certified applicator and qualifying party study materials  
18 available, at the commission's actual costs, to any interested person.

19 11. Conduct or contract to conduct certified applicator and qualifying  
20 party tests at locations throughout this state. If the commission contracts  
21 for these tests, the contracts may provide for specific examination fees or  
22 a reasonable range of fees determined by the commission to be paid directly  
23 to the contractor by the applicant.

24 12. Require a business licensee to provide written notice immediately  
25 following a pest control treatment in or around residential structures of one  
26 or two units to the person requesting the treatment or to the person's  
27 designated agent. The notice shall include the specific chemical by trade  
28 name used in the treatment.

29 13. Require a business licensee performing THAT PERFORMS pest control  
30 treatments on an ongoing basis to locations other than residential structures  
31 of one or two units to provide written notice in accordance with commission  
32 standards to the person who requested the treatments or the person's  
33 designated agent. Notice shall be given before the first application of the  
34 chemical and whenever new or additional chemicals are to be used or  
35 immediately after each treatment. If the treatments are performed in the  
36 interior of residential units, the licensee shall leave a similar notice in  
37 the interior of each treated unit immediately after each treatment.

38 14. Within thirty days of completion of a pretreatment project, initial  
39 termite corrective treatment project or wood infestation report, require the  
40 business licensee to file with the commission, in a form approved by the  
41 commission, all data required by the commission. The data shall include:

42 (a) The name of the individual who performed the work.

43 (b) The address or location of the work or project.

44 (c) The type and the date of the work.

45 (d) The name of the pest control company.



(e) The name of the qualifying party.

(f) The certified applicator certificate numbers.

(g) Any other information THAT IS required by the commission.

15. Within one hundred eighty days of completion of an initial pretreatment project, require the business licensee to file a supplemental termite action report in a form provided by the commission indicating the completion of the final grade treatment or to request in writing a waiver that indicates why the treatment has not been completed and when it will be completed.

16. Refer all pretreatment cases involving alleged criminal fraud to the criminal fraud division of the attorney general's office and refer any case determined by the commission DETERMINES to contain information relating to a possible felony to the proper law enforcement agency.

17. Maintain a computer system which records the following information on pretreatment projects, initial termite corrective projects, preventative termite treatments and wood infestation reports:

(a) The name of the individual who performed the work.

(b) The address or location of the work or project.

(c) The name of the pest control company.

(d) The name of the qualifying party.

(e) The certified applicator certificate numbers.

(f) The nature and date of the work performed.

(g) Any other information THAT IS required by the commission.

18. Refer all cases for initial hearing to ~~a hearing officer~~ AN ADMINISTRATIVE LAW JUDGE.

19. Establish an office and branch offices it deems necessary to carry out the purposes of this chapter.

20. Employ an executive director and other permanent or temporary personnel; ~~including hearing officers~~, it deems necessary to carry out the purposes of this chapter and designate their duties.

21. Investigate violations of this chapter and rules adopted pursuant to this chapter.

22. Adopt minimum standards for pesticide applications.

23. Adopt minimum standards for certified applicators.

24. Adopt rules regarding continuing education.

25. Require a business licensee, qualifying party, certified applicator or registered employee to permit a commission inspector to be present on a jobsite in connection with a contemporaneous pest control treatment for the purpose of taking chemical samples, soil samples or any other samples for purposes of testing the type and quantity of chemicals used.

26. Deny a license to any person WHO IS subject to a previous revocation of the person's license for a period of ten years from the time of revocation.

27. Adopt by rule a nonexclusive list of acts and omissions that constitute de minimis violations.

1           B. The commission may:

2           1. Compel attendance of witnesses, administer oaths or affirmations  
3 and take testimony concerning all matters coming within its jurisdiction.

4           ~~2. Receive criminal history record information from the department of~~  
5 ~~public safety and other law enforcement agencies during investigations.~~

6           2. REQUIRE A PERSON WHO SEEKS A LICENSE, CERTIFICATION OR REGISTRATION  
7 PURSUANT TO THIS CHAPTER TO SUBMIT TO THE COMMISSION A FULL SET OF  
8 FINGERPRINTS AND THE FEES REQUIRED BY SECTION 41-1750. THE COMMISSION SHALL  
9 SUBMIT THE FINGERPRINTS AND FEES TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE  
10 PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO  
11 SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY  
12 EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

13           3. Enter into intergovernmental agreements.

14           4. With at least twenty-four hours' notice, request specific records  
15 from a business licensee, qualifying party or certified applicator at the  
16 person's place of business during normal business hours.

17           5. Adopt rules setting forth procedures for providing notice to  
18 business licensees of requests for records and methods of compliance for  
19 business licensees. The rules may:

20           (a) Specify that the qualifying party or certified applicator in  
21 charge of the office is responsible for complying with record requests by the  
22 commission.

23           (b) Provide that a failure to timely comply with a records request may  
24 be excused on a showing of good cause by the business licensee.

25           6. Charge to the holder of a business license the actual cost of  
26 providing mailed copies of rules, forms or policies THAT ARE proposed for  
27 adoption.

28           7. Require a business licensee that undergoes a change of name or  
29 ownership status or that sells all or a part of the business to:

30           (a) Report to the commission within ten business days the status of  
31 all warranties THAT ARE issued by the licensee.

32           (b) Notify within ten business days all persons who hold warranties  
33 THAT ARE issued by the licensee regarding the change.

34           8. Hire independent contractors to conduct inspections and take  
35 chemical samples, soil samples or any other samples for purposes of testing  
36 the type and quantity of chemicals THAT ARE used in connection with pest  
37 control treatment.

38           9. Issue advisory notices for de minimis violations.

39           10. Notify a business licensee, qualifying party or certified  
40 applicator of all requests for review of the business licensee's, qualifying  
41 party's or certified applicator's records within ten business days of the  
42 request.

43           11. Maintain a ratio of at least one inspector to every two hundred  
44 industry members, including qualifying parties and registered employees, and  
45 the commission shall maintain a ratio of at least one inspection supervisor

1 for every eight inspectors. Inspectors shall be certified pursuant to  
2 article 4 of this chapter in all categories within their scope of work within  
3 their probationary period. Inspectors shall attend and complete an  
4 investigative training class THAT IS prescribed by the commission within  
5 their probationary period.

6 C. Each completed form for a pretreatment project, initial termite  
7 corrective treatment project or wood infestation report shall be accompanied  
8 by a fee. The initial fee is eight dollars. The commission may adjust the  
9 fee upward or downward to a level THAT IS calculated to produce sufficient  
10 revenue to carry out the functions prescribed under this section. The  
11 commission may assess a penalty of not to exceed one hundred dollars per form  
12 for failing to submit the required form and fee within thirty days.

13 D. The executive director shall serve at the pleasure of the  
14 commission. Compensation for the executive director and employees shall be  
15 determined pursuant to section 38-611.

16 E. Subject to the limitations of section 41-2544, the executive  
17 director may enter into agreements for the purpose of enabling the commission  
18 to accept payment for fees imposed under this chapter by alternative payment  
19 methods, including credit cards, charge cards, debit cards and electronic  
20 funds transfers. Before the monies are transferred to the executive director  
21 pursuant to section 32-2305, the person collecting the fees shall deduct any  
22 amount charged or withheld by a company providing the alternative payment  
23 method under an agreement with the commission.

24 F. In the enforcement of this article, the commission or any of its  
25 duly authorized agents may enter with the authority of a warrant issued by  
26 a court of competent jurisdiction at reasonable times on any private or  
27 public property on which pesticides are located or are reasonably believed  
28 to be located to be used for purposes related to structural pest  
29 control. The owner, managing agent or occupant of the property shall permit  
30 entry for the purpose of inspecting and investigating conditions relating to  
31 the use, storage, application and disposal of pesticides.

32 G. The commission shall not delegate to its staff the powers and  
33 duties listed under:

34 1. Subsection A, paragraphs 1, 2, 3, 15, 17, 19, 21, 22, 23, 25 and  
35 26 of this section.

36 2. Subsection B, paragraphs 3, 5 and 8 of this section.

37 Sec. 13. Repeal

38 Section 32-2304, Arizona Revised Statutes, as amended by Laws 2000,  
39 chapter 113, section 128, is repealed.

40 Sec. 14. Section 44-1627, Arizona Revised Statutes, is amended to  
41 read:

42 44-1627. Licensing; requirements

43 A. A person shall not act as a pawnbroker until licensed by the  
44 sheriff of the county in which the person regularly conducts business.

1 B. A pawnbroker shall obtain a separate license for each pawnshop  
2 owned by that pawnbroker.

3 C. A pawnbroker license may not be sold or transferred without the  
4 approval of the sheriff and OR the sheriff's designee.

5 D. A pawnbroker shall not conduct business at a location other than  
6 a licensed location except for firearms transactions that are permitted by  
7 a federally licensed firearms dealer at an organized gun show.

8 E. Every pawnbroker shall be a bona fide resident of this state. If  
9 a partnership, each partner shall be a bona fide resident of this state. If  
10 a corporation, it shall be a domestic corporation or a foreign corporation  
11 which has qualified to do business in this state. The corporation shall hold  
12 its pawnbroker license through an agent.

13 F. The sheriff or the sheriff's designee shall require any person,  
14 other than a bank or licensed lending institution, having any interest,  
15 directly or indirectly, in a pawnshop to ~~furnish a complete satisfactory~~  
16 SUBMIT A FULL set of fingerprints, together with the applicable fingerprint  
17 processing fee, TO THE SHERIFF. THE SHERIFF SHALL SUBMIT THE FINGERPRINTS  
18 TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND  
19 FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
20 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA  
21 WITH THE FEDERAL BUREAU OF INVESTIGATION. THE SHERIFF SHALL FORWARD THE FEE  
22 TO THE DEPARTMENT OF PUBLIC SAFETY.

23 G. A corporation shall own the entire equitable interest in its  
24 license through an agent if the agent is otherwise qualified to hold a  
25 pawnbroker license. The agent is subject to the penalties prescribed for any  
26 violation of law relating to pawnbrokers. On the death, resignation or  
27 discharge of an agent of a corporation holding a pawnbroker license, the  
28 corporation shall promptly assign the license to another qualified agent  
29 selected by the corporation.

30 H. The sheriff shall not issue a license to a person who, within one  
31 year before the application, has violated any provision of a previously  
32 issued pawnbroker license or has had a license revoked. The sheriff shall  
33 not issue to or renew a license of a person who, within five years before the  
34 application, has been convicted of a felony involving trafficking in stolen  
35 property, fraudulent schemes, forgery, theft, extortion or conspiracy to  
36 defraud or a felony involving moral turpitude. The sheriff shall not issue  
37 to or renew a license of a corporation unless it has on file with the sheriff  
38 of the county in which the license is issued a list of its officers and  
39 directors and any stockholders who own ten per cent or more of the  
40 corporation. The sheriff shall not issue to or renew a license of a  
41 corporation if any of its officers or directors or any stockholder who owns  
42 ten per cent or more of the corporation has within five years been convicted  
43 of a felony involving trafficking in stolen property, fraudulent schemes,  
44 forgery, theft, extortion or conspiracy to defraud or a felony involving  
45 moral turpitude.

1 I. The sheriff shall not issue a license to a person or corporation  
2 that has knowingly made any false statements or material misrepresentations  
3 in the license application.

4 J. A person shall not use the word "pawn", "pawnshop" or "pawnbroker"  
5 in its business name, on any sign or in any advertisement unless the person  
6 is licensed as a pawnbroker pursuant to this article.

7 Sec. 15. Section 44-1945, Arizona Revised Statutes, is amended to  
8 read:

9 44-1945. Application for registration as salesman; filing;  
10 contents; exemptions

11 A. ~~Application~~ ANY INDIVIDUAL MAY APPLY for registration as a salesman  
12 ~~may be made by any individual.~~ An application for registration as a salesman  
13 shall be signed by the applicant and by the registered dealer employing or  
14 intending to employ the applicant, and shall be duly verified by oath. The  
15 application accompanied by the registration fee prescribed by section  
16 44-1861, subsection A shall be filed with the commission and shall include  
17 the following, together with other information the commission prescribes:

18 1. Name, residence ADDRESS and business address of the applicant.

19 2. Name of the dealer employing or intending to employ the applicant.

20 3. Age and education of the applicant.

21 4. The nature of employment and name and address of each employer of  
22 the applicant for the ten years immediately preceding the date of  
23 application.

24 5. A statement showing whether the applicant has been registered as  
25 a dealer in or salesman of securities under laws of other states or as a  
26 broker or dealer under the securities exchange act of 1934 and whether or not  
27 such registration has been denied, cancelled, suspended or revoked and, if  
28 so, a complete statement of the facts with respect thereto TO THE DENIAL,  
29 CANCELLATION, SUSPENSION OR REVOCATION.

30 6. A statement showing whether the applicant has, within the past ten  
31 years, been convicted of or charged with a felony or misdemeanor of which  
32 fraud is an essential element, or a felony or misdemeanor involving the  
33 purchase or sale of securities and, if so, a complete statement of the facts  
34 with respect thereto TO THE CONVICTION.

35 7. A statement showing whether the applicant has been enjoined or  
36 restrained by a court of competent jurisdiction in connection with the  
37 purchase or sale of securities and, if so, a complete statement of the facts  
38 with respect thereto TO THE ENJOINER.

39 8. IF THE APPLICANT'S FINGERPRINTS ARE NOT ON FILE WITH THE DIVISION,  
40 THE CRD SYSTEM OR THE INVESTMENT ADVISER REGISTRATION DEPOSITORY OPERATED BY  
41 THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, A FULL SET OF FINGERPRINTS.  
42 THE COMMISSION SHALL SUBMIT THE FINGERPRINTS TO THE DEPARTMENT OF PUBLIC  
43 SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS  
44 CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF

1 PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF  
2 INVESTIGATION.

3 B. By rule or order, the commission may provide limited registration  
4 requirements for any salesman or class of salesmen or exempt any salesman or  
5 class of salesmen from registration under this article if the commission  
6 determines that registration is not necessary to protect the public interest  
7 due to the special characteristics of the securities or transactions in which  
8 the salesman or class of salesmen is involved.

9 C. Any salesman effecting transactions in this state limited solely to  
10 those transactions described in sections 15(h)(2) and (3) of the securities  
11 exchange act of 1934 is exempt from registration under this article.

12 Sec. 16. Section 44-3153, Arizona Revised Statutes, is amended to  
13 read:

14 44-3153. Application for licensure as investment adviser;  
15 notice filings by federal covered advisers

16 A. Any person may apply for licensure as an investment adviser. THE  
17 APPLICANT SHALL SIGN an application for licensure ~~shall be signed by the~~  
18 applicant.

19 B. An application for licensure as an investment adviser shall be  
20 filed with the commission through the IARD. If the IARD does not provide for  
21 receipt of a filing, the filing may be made with the commission by mail or  
22 any other method that is reasonably acceptable to the commission.

23 C. An application for licensure shall contain the following, together  
24 with other information the commission prescribes:

25 1. A completed uniform application for investment adviser registration  
26 under the investment advisers act of 1940 together with other forms  
27 designated by the director.

28 2. Proof of compliance with written examination requirements.

29 3. Financial reports as required by the commission.

30 4. A notarized affidavit of any officer, director, partner, member,  
31 trustee or manager of the applicant that states:

32 (a) That a review of the records of the investment adviser has been  
33 conducted.

34 (b) Whether any investment adviser activity has been conducted with  
35 residents of this state before licensure as an investment adviser.

36 5. If the applicant intends to have a branch office in this state, the  
37 address and name of a contact individual at that branch office.

38 6. IF THE APPLICANT IS AN INDIVIDUAL AND THE APPLICANT'S FINGERPRINTS  
39 ARE NOT ON FILE WITH THE DIVISION, THE CRD SYSTEM OR THE IARD, A FULL SET OF  
40 FINGERPRINTS. THE COMMISSION SHALL SUBMIT THE FINGERPRINTS TO THE DEPARTMENT  
41 OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL  
42 RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE  
43 DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE  
44 FEDERAL BUREAU OF INVESTIGATION.

1 D. An application for licensure as an investment adviser shall be  
2 accompanied by payment of the licensure fee prescribed in section 44-3181.

3 E. A federal covered adviser may transact business in this state as  
4 an investment adviser if the federal covered adviser makes a notice filing  
5 with the commission through the IARD. If the IARD does not provide for  
6 receipt of a filing, the filing may be made with the commission by mail or  
7 any other method that is reasonably acceptable to the commission.

8 F. The notice filing shall consist of all of the following:

9 1. Copies of those documents that are filed with the SEC and that the  
10 commission requires to be filed.

11 2. A consent to service of process.

12 3. A notice filing fee as prescribed in section 44-3181.

13 G. A notice filing is effective on compliance with the requirements  
14 of subsection E of this section and remains effective until December 31  
15 unless it is renewed before that time by filing with the commission any  
16 renewal documents prescribed by the commission along with the notice filing  
17 fee prescribed in section 44-3181.

18 H. A federal covered adviser may terminate a notice filing by  
19 notifying the commission of that termination through the IARD. If the IARD  
20 does not provide for receipt of a filing, the filing may be made with the  
21 commission by mail or any other method that is reasonably acceptable to the  
22 commission.

23 Sec. 17. Section 44-3156, Arizona Revised Statutes, is amended to  
24 read:

25 44-3156. Application for licensure as investment adviser  
26 representative

27 A. Any individual may apply for licensure as an investment adviser  
28 representative. An application for licensure as an investment adviser  
29 representative shall be signed by the applicant and by the licensed or  
30 federal covered adviser employing or intending to employ the applicant.

31 B. An application for licensure as an investment adviser  
32 representative shall be filed with the commission through the IARD. If the  
33 IARD does not provide for receipt of a filing, the filing may be made with  
34 the commission by mail or any other reasonable method that is acceptable to  
35 the commission.

36 C. An application for licensure shall include the following, together  
37 with other information the commission prescribes:

38 1. A completed form U-4 or any other form as the director may  
39 designate. An applicant that has a current form U-4 filed with this state  
40 may submit a brief written request for licensure with the commission.

41 2. Proof of compliance with written examination requirements.

42 3. IF THE APPLICANT'S FINGERPRINTS ARE NOT ON FILE WITH THE DIVISION,  
43 THE CRD SYSTEM OR THE IARD, A FULL SET OF FINGERPRINTS. THE COMMISSION SHALL  
44 SUBMIT THE FINGERPRINTS TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE  
45 OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION

1 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE  
2 THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

3 D. An application for licensure as an investment adviser  
4 representative shall be accompanied by payment of the licensure fee  
5 prescribed in section 44-3181.

6 Sec. 18. Section 44-3181, Arizona Revised Statutes, is amended to  
7 read:

8 44-3181. Fees; penalties; abandonment

9 A. The annual nonrefundable license fee for each licensed investment  
10 adviser and investment adviser representative and the annual nonrefundable  
11 notice filing fee for each federal covered adviser shall be paid to the  
12 commission on or before the last working day of December. The annual  
13 nonrefundable license fee for each investment adviser and the annual  
14 nonrefundable notice filing fee prescribed in section 44-3153, subsection F  
15 are two hundred fifty dollars and the annual nonrefundable license fee for  
16 each investment adviser representative is forty dollars.

17 B. An investment adviser that fails to timely renew an annual  
18 investment adviser or investment adviser representative license or notice  
19 filing shall pay a penalty of twenty-five dollars per business day until the  
20 appropriate documents and fee are filed, up to a maximum of forty business  
21 days. Failure to timely renew is not a violation of section 44-3151 if the  
22 license or notice filing fee and penalty are paid within forty business days.  
23 Failure to renew within forty business days may result in additional  
24 sanctions as provided in this chapter.

25 C. The transfer fee for an investment adviser representative  
26 transferring that investment adviser representative's license from one  
27 investment adviser to another investment adviser is forty dollars.

28 D. All applications, withdrawals, terminations, transfers, renewals  
29 or other filings with the IARD shall be on the forms required by the IARD and  
30 shall be accompanied by any reasonable costs charged by the IARD for  
31 processing the filings. Any person WHO IS required to pay a fee pursuant to  
32 this section may transmit the fee to the commission through the IARD.

33 E. The commission shall retain any notice filing or licensure fees  
34 THAT ARE collected in connection with abandoned applications or notice  
35 filings. A notice filing or an application for licensure is deemed abandoned  
36 if both:

37 1. The notice filing or application has been on file with the  
38 commission for at least six months or the applicant or notice filer has  
39 failed to respond to a request for information for at least two months after  
40 the date of the request.

41 2. The applicant or notice filer has failed to respond to the  
42 commission's notice of warning of abandonment within sixty calendar days  
43 after the date of the warning.



1 F. THE FEE FOR SUBMITTING FINGERPRINTS IS THE FEE THAT IS REQUIRED BY  
2 THE FEDERAL GOVERNMENT AND THE DEPARTMENT OF PUBLIC SAFETY.

3 Sec. 19. Emergency

4 This act is an emergency measure that is necessary to preserve the  
5 public peace, health or safety and is operative immediately as provided by  
6 law.

APPROVED BY THE GOVERNOR APRIL 29, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2002.

Passed the House April 15, 20 02,

by the following vote: 45 Ayes,

11 Nays, 4 Not Voting  
*with emergency*

*Robert L. Fife*  
Speaker of the House

*Norman L. Moore*  
Chief Clerk of the House

Passed the Senate March 21, 20 02

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting  
*With Emergency*

*Randall Ainsworth*  
President of the Senate

*Charmian Bellington*  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20   ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20   ,

at            o'clock            M.

            
Governor of Arizona

S.B. 1164

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20   ,

at            o'clock            M.

            
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate April 23, 2002,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting

Kandace Amant with Emergency  
President of the Senate

Charmion Ballington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

23 day of April, 2002,

at 1:50 o'clock P M.

Jandra Ramirez  
Secretary to the Governor

Approved this 29 day of

April, 2002,

at 2:45 o'clock P M.

Janice K. Hull  
Governor of Arizona

S.B. 1164

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April, 2002,

at 11:50 o'clock A M.

Britney Douglas  
Secretary of State